

Resources Department  
7 Newington Barrow Way  
London, N7 7EP

Report of: Corporate Director of Resources

Meeting of: Pensions Board

Date: 5<sup>th</sup> December 2022

## Subject: PENSION ADMINISTRATION PERFORMANCE

### 1. **Synopsis**

- 1.1. This report provides the Board with information on the administration activities and performance of the Pension Administration. The information is in respect of the period from 1 August 2022 to 26 October 2022 and includes the number of Local Government Pension Scheme (LGPS) members auto-enrolled into the scheme for this period.
- 1.2. The report also provides information regarding the Internal Dispute Resolution Procedure (IDRP), compliments and complaints.

### 2. **Recommendations**

- 2.1. To note the number of members' auto-enrolled into the LGPS during the relevant period.
- 2.2. To note the information in respect of the IDRP, compliments and complaints.
- 2.3. To review the performance data for the administration activities of the Council's Pensions Office.
- 2.4. To note any new Internal Audit Investigations in Pensions Administration
- 2.5. To note progress on key projects (i.e. moving pension server to the cloud and member self-service).

### 3. Background

- 3.1. The membership profile on 31 July 2022 and 26 October 2022 is shown in the following table.

<b>Category</b>	Jul-22	Oct-22
Number of current active members	6,567	6,591
Number of preserved benefits	8,534	8587
Number of Pensions in payment	6,380	6338
Number of Teachers Comp Pensions in payment	-	111
Number of Spouses/dependants pensions in payment	976	990
Number of Teachers Comp Spouses Pensions in payment	-	10
<b>Total</b>	<b>22,457</b>	<b>22,627</b>

Active membership as seen a marginal increase of just under 0.4%. The Fund's preserved beneficiaries and pensioners continue to grow. Teachers Compensation Pensions payments are being reported for the first time in this report, as this will provide the Board with a more complete picture of all the pension payments, the Council processes. The cost of these payments is paid from the Pension Fund initially and this cost is then recovered from Islington Council via a re-charge.

- 3.2. The table below shows performance against case type for the period from 1 August to 26 October 2022:

<b>Process</b>	<b>Total Cases Processed</b>	<b>Target Days</b>	<b>% Achieved within target days</b>	<b>Actual average days</b>
Deaths	30	10	95.0%	11.0
Retirement benefits	62	7	91.0%	9.0
Pension estimates	92	10	97.0%	12.5
Preserved benefits	15	30	86.0%	32.0
Pension Payroll Adj.	19	10	100.0%	8.5
Transfer-in quotation	31	10	83.0%	13.0
Transfer-in actual	37	10	88.0%	12.0
Transfer out quotation	11	15	100.0%	10.5
Transfer out actual	11	12.5	90.0%	14.0
Transfer out (Non-Public Sector) actual	2	30	78.0%	38.0
Starters	219	30	87.0%	32.0
All key processes	529		84.0%	

- 3.3. The target dates for Deaths, Retirement benefits, Preserved benefits have been re-assessed and the table now reflects the new performance target.
- 3.4. Two other key processes have also been added to table 3.2 i.e. Transfer out (Non-Public Sector) and Starters.
- 3.5. Overall performance has seen a decline of 3% from the 87% achieved in the last quarter in completed processes within the target days. This drop in performance is mainly attributable to Pension Staff being directed to focused on the work required for the Pension Fund and annual leave.
- 3.6. The table below shows the number of members auto-enrolled into the LGPS from August 2022 to October 2022:

<b>Month</b>	<b>Starters No.</b>	<b>Opt Outs</b>	<b>Opt Outs %</b>
August	52	1	1.92
September	113	0	-
October	54	0	-
<b>Total</b>	<b>219</b>	<b>1</b>	<b>0.46</b>

- 3.7. The Pension Office received -14- communications thanking Pension Administration staff for their service and -3- complaints. All 3 complaints were in relation to estimate processing times and have been resolved without escalating to the Pension Fund’s Internal Dispute Resolution Procedure (IDRP).

### **Audit Investigations**

- 3.8. No new cases of potential fraud have been identified by the Pensions Office and reported to Internal Audit for investigation during this period.

### **Key Projects**

#### **Pension Server Cloud Migration**

- 3.9. The Pensions Office working with our IT Department have commenced exploratory talks with our software providers to move the pension server and architecture to the Cloud. Our target date for completion is March/April 2023.

#### **Member Self-Service**

- 3.10. Member Self-Service (MSS) is an online platform developed by Heywood’s our software suppliers which enables members to access their pension records and update certain information. The 2023 Annual Benefits Statements will be delivered on this platform for all staff who register for this service. Working with our IT Department and Heywood’s our target date for implementation is June 2023.

## 4. **Implications**

### 4.1. **Financial Implications**

- 4.1.1. The cost of administering the LGPS is chargeable to the Pension Fund.

### 4.2. **Legal Implications**

- 4.2.1. There are no specific legal implications in this report.

### 4.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

- 4.3.1. None applicable to this report. Environmental implications will be included in each report to the Pension Board/Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/finance/financialmanagement/adviceandinformation/20192020/20190910londonboroughofislingtonpensionfundinvestmentstrategystatement.pdf>

### 4.4. **Equalities Impact Assessment**

- 4.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.4.2. An Equalities Impact Assessment is not required in relation to this report, because there are no adverse impacts in terms of equalities arising from the contents of this report. The LGPS is a statutory public service pension scheme open to all Council employees.

## 5. **Conclusion and reasons for recommendations**

- 5.1. The report will be made to each meeting of the Pension Board and is provided in order to assess administration performance and dispute resolution.

**Appendices:** n/a

**Background papers:** none

**Final report clearance:**

Signed by:

**Corporate Director of Resources**

Date: 23 November 2022

Report Author: Patrick Fullerton, Pensions Manager

Tel: 020 7527 2588

Email: [patrick.fullerton@islington.gov.uk](mailto:patrick.fullerton@islington.gov.uk)

Financial Implications Author: joana marfoh

Tel:02075272382

Email: joana.marfoh@islington.gov.uk

Legal Implications Author: n/a

Tel:

Email: